

**Central Colorado Regional Airport
Airport Board Special Work Session
October 26, 2009**

- 1. The meeting was called to order at 6:30 pm by Chairman Mal Sillars, and the agenda was approved by the Board.**
- 2. Attendees: Board Members Cal Anderson, Tom Bell, Bob Freed, Cherie Haarberg and Mal Sillars; Joel Benson, Town Trustee; Sue Boyd, Administrator; Bob Johnson, Airport Operations Specialist; Dave Randall, concerned citizen; and Jeff Price of Leading Edge Consulting.**
- 3. Sue Boyd introduced Jeff Price of Leading Edge consulting. All attendees gave a brief synopsis of their backgrounds in relation to the airport, and Jeff Price highlighted his areas of expertise in the aviation consulting field.**
- 4. Inasmuch as Christine DeChristopher, Town Treasurer, was not available, Sue Boyd presented the airport financial report as well as a brief overview of the budget status of the Town of Buena Vista. Sue advised that caution is needed; however, the Town is not in an emergency condition to date. Each department is being asked for a 3% cut in non-personnel expenses. Inasmuch as the airport is an enterprise fund and due to the airport deficit, the airport budget will be reviewed by the Trustees at the end of the first quarter of 2010. It was brought to Sue's attention by the Airport Board that some adjustments should be made in the airport financial report with regard to terminal renovation figures and the proposed dump truck, most of which will be covered by a grant. Sue will advise Christine of same.**
- 5. Airport Board Concerns and Discussion:**
 - When asked for the visions of the Airport Board by Sue Boyd, Bob Freed stated that the limited developable land owned by the airport is a major issue that should be addressed. For example, the runway land is owned by several entities, which is a concern. An increase in the amount of land for the airport is needed in order to expand the potential of the airport; i.e., an industrial airport would enhance revenues for the airport. It was also noted that the property and hangars owned by**

Frank Carpenter are currently for sale and being marketed as having the capability of being an industrial airpark facility. Mr. Carpenter has 'through the fence' access granted by the airport and any potential airpark on his property could jeopardize FAA grants for the airport.

- **The issue of hangar leases is another critical area. Two individuals wish to build commercial-sized hangars which would be beneficially economical to the airport, not only through lease agreement income but there is also the possibility of the airport being able to manage these hangars for use of renting space to general aviation aircraft. This would give our airport an alternate airport status for overcrowded airports such as Aspen, Eagle, Gypsum, etc., that do not have hangar space for parking aircraft.**

Jeff Price asked why we do not have leases in place and Sue Boyd advised that we are very close to getting the template lease agreements approved by the Trustees. Getting the lease agreements approved is essential to projection of the airport revenue budget and establishment of a business plan.

- **Purchase of the Mandes hangar, which is attached to the airport offices, is another major issue that the Airport Board believes would be economically beneficial to the airport and Town. The airport is currently managing the hangar and making an income that is shared with the owner. If the airport owned the hangar, it would receive 100% of the income and could establish rates for hangar space, testing and increasing other areas of income potential such as offering space for a flight school, sight-seeing operators, etc. The airport would also be able to offer secured areas for military testing and use of private offices for their personnel without having to adjust for the current owner's schedule. Another point is that the FAA is more likely to approve grants if the airport owns the hangar, as they have expressed concerns about the condominium status in the hangar. C-DOT has also stated that they would prefer that the hangar be owned by the Town.**

Jeff Price recommended that the airport prepare a cost benefit analysis, which the Board agreed to do. Jeff also concurred that an FAA grant may be available to assist in purchasing the hangar.

- **Other options for the airport were discussed including having an FBO for fuel sales, an FBO for fuel sales plus airport operations, an airport authority for operating the airport, or continue the current sponsor employed system as is. With the current airport budget being in deficit, there is concern that the airport would not be attractive to an FBO. If an FBO would take over operations, the Town would still own the airport. Bob Johnson stated that when the Town took over the airport in 2007, it was a bare-boned startup operation. There was no equipment available and extensive work was required to reestablish the fuel system to an acceptable quality for fuel sales. The state of the current budget is related to the extensive start-up expenses and current decline in the economy. It was noted that the Town Trustees originally felt it would take five years for the airport to become self-sustaining.**

Jeff Price stated that an airport authority is generally for larger municipalities, but is not out of the question. An airport authority would have to be created by the Town. He also stated his belief that luring an FBO to operate the airport is not impossible.

- **Jeff Price stated that the original reason for obtaining his consulting services was in regard to tenant complaints and noncompliance issues, which has now been expanded to operations and budget issues. Jeff reviewed the minimum standards rules and regulations of the airport and found them to be satisfactory. He stated that compliance with the rules and regulations of the airport needs to be enforced in order to provide safety and security of the airfield. The minimum standards must be tied to the leases, with noncompliance of same constituting a breach of the lease. The rules and**

regulations may have to be approved as Town ordinances in order to apply civil penalties for noncompliance. The compliance process begins with codification, handling tenant issues regarding violations, policing, FAA reporting and public education regarding noncompliance (if you see rules and regulations being broken, report them to the appropriate authority (Town PD, FAA, etc.). Jeff also recommended that the airport stipulate in the leases that airport management has the authority to determine the lease positions with regard to the highest and best use. The “first come, first served” agreement could create problems if someone wished to have an area which would be best used by larger or commercial hangars.

- It was determined that the next step to be taken by the Airport Board is to develop a Business Plan to encompass their vision, perform a market assessment (possible outside assistance from marketing college students), and to prepare a cost benefit analysis. Per Jeff, the business plan must encompass a management plan, financial plan, marketing plan (web site and brochures) and a schedule for implementation of same. Inasmuch as government contracts can take one to two years to complete, it was discussed that we start with an ‘a la carte’ system for general aviation operations and work into the potential of military and commercial aircraft testing programs.**

Jeff was thanked for his input and he has agreed to prepare a report that will be available to the Board. The meeting was adjourned.